

HOUSE No. 3686

The Commonwealth of Massachusetts

PRESENTED BY:

Barry R. Finegold

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the passage of the accompanying bill:

An Act relative to eligibility for cooperative housing corporations.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Barry R. Finegold	17th Essex
Bruce E. Tarr	First Essex and Middlesex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 1224 OF 2007-2008.]

The Commonwealth of Massachusetts

In the Year Two Thousand and Nine

AN ACT RELATIVE TO ELIGIBILITY FOR COOPERATIVE HOUSING CORPORATIONS.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 4 of chapter 157B of the General Laws, as appearing in the 2006 Official
2 Edition, is hereby amended by inserting after the definition “by-laws” the following definition:-

3 “community of interest”, a cooperative corporation or corporation organized as a cooperative under the
4 general laws for the purpose of providing or furnishing residential housing for a communal purpose;
5 provided however, that a statement of communal purpose, in sufficient detail so that a reasonable person
6 may understand such purpose, shall be included in the original articles of organization of such corporation
7 or added to the articles of such corporation as set forth in clause (g) of section 10 by amendment approved
8 by 60 per cent of the stockholders.

9 SECTION 2. Section 10 of chapter 157B, as so appearing, is hereby amended by striking out clause (g)
10 and inserting in place thereof the following clause:-

11 (g) standards for eligibility to become a stockholder, provided that such standards reasonably
12 relate to: (i) the capacity to satisfy the stockholder’s financial and maintenance obligations with respect to
13 the property; (ii) the creation of the housing cooperative as a community of interest, provided however,
14 that a detailed statement of the communal purpose and eligibility standards of the community of interest
15 shall be contained within the articles of organization of the corporation; and/or (iii) standards as a
16 provider of affordable housing. Standards for eligibility set forth under clauses (i), (ii) and (iii) shall not
17 be discriminatory under law. Denial of a party seeking to become a stockholder shall be in writing, and
18 denial shall include the grounds for denial and specify which eligibility standards the stockholder
19 applicant failed to meet. This act shall govern cooperative housing arrangements formed under this
20 chapter or otherwise.

21 SECTION 3. Within 90 days of the effective date of this act, the state secretary shall send written notice
22 to each corporation organized under chapters 156D or 157B of the General Laws of the requirement for it

23 to file, as applicable, articles of organization that contain the information requires in subclause (ii) of
24 clause (g) of section 10 of chapter 157B of the General Laws.